

Message

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Subject: Reuters: GM is accused in lawsuit of cheating on diesel truck emissions, 5/26/17

Reuters

<http://www.reuters.com/article/gm-lawsuit-idUSL1N1IR19V>

GM is accused in lawsuit of cheating on diesel truck emissions

By Jonathan Stempel 5/25/17 3:41 PM

General Motors Co was accused in a lawsuit on Thursday of rigging hundreds of thousands of diesel trucks with devices similar to those used by Volkswagen AG , to ensure they pass emissions tests.

The proposed class-action lawsuit covers people who own or lease more than 705,000 Chevrolet Silverado and GMC Sierra pickups fitted with "Duramax" engines from the 2011 to 2016 model years.

It said GM used at least three "defeat devices" to ensure that the trucks met federal and state emission standards, even if they generated more pollution in real-world driving. The complaint was filed in the federal court in Detroit.

"These claims are baseless and we will vigorously defend ourselves," GM spokesman Dan Flores said.

He added that the trucks comply with U.S. Environmental Protection Agency emissions standards and California's own tough emissions standards.

The lawsuit alleges violations of racketeering and consumer protection laws, and seeks remedies including possible refunds, restitution for lost resale value, and punitive damages.

It adds to legal problems for Detroit-based GM, which has already paid about \$2.5 billion in penalties and settlements over faulty ignition switches linked to 124 deaths.

GM joins VW, which has admitted to cheating, and at least four other automakers whose diesel emissions have been scrutinized by regulators or consumers.

They include Mercedes-Benz parent Daimler AG, Fiat Chrysler Automobiles NV, Peugeot SA and Renault SA

GM shares were down 74 cents, or 2.2 percent, at \$32.46 in afternoon trading, after earlier falling as much as 3.8 percent.

RBC Capital Markets analyst Joseph Spak estimated that one-eighth of GM's full-sized pickups have diesel engines, and said "negative publicity" from the lawsuit could steer prospective buyers to Ford Motor Co or Fiat Chrysler's Ram division.

EXCESS POLLUTANTS

According to the lawsuit, "on-road" emissions testing conducted for the plaintiffs found that Duramax-engined trucks produced nitrogen oxide pollutants two to five times higher than allowed, and "many times" higher than gasoline-engined trucks.

Modifying the engines to meet emissions standards would reduce performance, horsepower and fuel economy, the 184-page complaint said.

Germany's Robert Bosch GmbH was also named as a defendant for having allegedly helped develop the defeat devices, in an "unusually close" collaboration with GM.

Bosch spokeswoman Alissa Cleland said that company will not discuss matters being investigated or litigated.

The named plaintiffs are Andrei Fenner of Mountain View, California and Joshua Herman of Sulphur, Louisiana.

They said they would not have bought, or would have paid less for, their respective 2011 Sierra and 2016 Silverado trucks had they known about the alleged rigging.

Their law firms include Hagens Berman Sobol Shapiro, which helped reach multibillion-dollar settlements for VW owners and dealers and has brought similar claims over GM's diesel-equipped Chevrolet Cruze.

Hilliard Munoz Gonzales, which handles many GM ignition switch lawsuits, also represents the plaintiffs.

On Tuesday, the U.S. Department of Justice filed a civil lawsuit accusing Fiat Chrysler of using software on 104,000 diesel vehicles sold since 2014 to evade emission standards.

Fiat Chrysler has denied wrongdoing. It also faces a separate Justice Department criminal probe on emissions.

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